UNITED
NATIONS

TD

United Nations Conference
on Trade and Development

Distr.
LIMITED

TD/B/WG.2/L.1
19 November 1992

Original: ENGLISH

Ad Hoc Working Group on Trade Efficiency
First session
Geneva, 16 November 1992
Item 6 of the provisional agenda

DRAFT REPORT OF THE AD HOC WORKING GROUP ON TRADE EFFICIENCY ON ITS FIRST SESSION

Held at the Palais des Nations, Geneva,
from 16 to 20 November 1992

Rapporteur: Mr. A. Brahime (Morocco)

CONTENTS

Chapter		Paragraphs
	Introduction	1 - 4
I.	Establishment of the work programme of the Working Group (agenda item 3)	5 - 6
II.	Organizational matters	7 - 11
Annex	Membership and attendance	

GE.92-52949 (E)

INTRODUCTION

1. The Ad Hoc Working Group on Trade Efficiency, established in accordance with paragraph 79 of the Cartagena Commitment, held its first session at the Palais des Nations, Geneva, from 16 to 20 November 1992. In the course of the session, the Ad Hoc Working Group held ..... meetings. 1/

Opening statements

2. The Chairman drew attention to the conjunction of two separate forces - global and institutional - which had come together creating a unique opportunity in the field of trade efficiency. Globally there were signs of an end to recession, the first fruits of structural adjustment were being realized and the pace of trade and investment was quickening. Since 1950, trade had grown from US$ 61 billion to nearly US$ 3.5 trillion in 1990. This growth had had a positive effect on development. The increasing importance of foreign direct investment, transnational corporations, the global equities investor's role and the gross volume of trade all showed that globalization was already a fact of life. Ways must be found for the medium- and small-scale exporter to share fully in the world market opportunities. Institutionally, a revitalized UNCTAD had been imbued with a new spirit of cooperation for development. The Cartagena Commitment forged at UNCTAD VIII was not only a statement of determination to support certain ideals but also reflected the new opportunities for cooperation now possible because of political, social and economic changes around the world. The programme of work which the Ad Hoc Working Group would draw up in the course of its session should increase countries' trading capacities because trade efficiency was the "spark plug" igniting the engines of economic growth. Through trade efficiency, the techniques of paperless business transactions in commerce and Government were being transformed for the benefit of all enterprises in all countries. By spreading the use of such techniques, UNCTAD could offer members a unique opportunity to gain market access, assure greater global competitiveness and transfer technology. The task before the Ad Hoc Working Group was threefold: (a) to determine a work programme or plan of action; (b) to set in motion measures to create a global network for a Trade

---

1/ For the terms of reference of the Ad Hoc Working Group, see Trade and Development Board decision 398 (XXXVIII), annex, Section C.

Point Centre; and (c) to start preparations for an international symposium on trade efficiency, to be held in the fall of 1994. This symposium would allow the Working Group to share its cumulative knowledge and experience with the world.

3. The Deputy Secretary-General of UNCTAD stressed the importance of the presence at the current session of experts, academics and representatives from the private sector as being an illustration of promising new methods of work. He called attention to the spirit of close and fruitful cooperation with other United Nations bodies that characterized the approach of the Ad Hoc Working Group on Trade Efficiency, citing in this regard the involvement of the Economic Commission for Europe's WP4, which constituted one of the pillars of trade efficiency, as well as the jointly organized meeting with the International Trade Centre, planned to take place during the session. Trade flows had been increasingly marked by globalization, strategic alliances between enterprises and the creation of global information networks. In this context, the focus of the international community must be on assuring that the enterprises of every country participate fully in international trade, as it was the instrument of development and transition towards an open global economy. To this end, UNCTAD proposed taking steps to reduce the cost of trade transactions by $75 billion annually up to the year 2000, to create new trade links and to integrate small- and medium-sized enterprises into global trade. These goals could not be realized without the active support of the private sector which held the key to revitalizing international trade. In the course of the session, representatives from private enterprise would be called upon to describe their proposed solutions. The International Symposium on Trade Efficiency, planned for 1994, was expected to offer an unprecedented forum in which to evaluate solutions for rendering international trade more efficient as well as for assessing the models or guidelines for integrating developing countries, economies in transition and the small and medium-sized enterprises of all the countries around the world into the development process. However, the immediate task of the Group was to establish a programme of work. It would also be expected to draw up an agenda for its second meeting, consider the possibility of setting up expert groups to deal with specific subjects and prepare for the 1994 symposium.

4. The Chief of the Special Programme on Trade Efficiency outlined the main goals of the programme: the first was to reduce transaction costs and the second was to increase participation in international trade. Means to achieve this was the use of advance information technology. UNCTAD's work in the

field of trade efficiency through the Ad Hoc Working Group and through the Trade Points would culminate in the 1994 Symposium on Trade Efficiency. The work of the Economic Commission for Europe (ECE-WP4), on trade facilitation and electronic data interchange (EDI), and of the International Trade Centre, on trade promotion were examples of activities of particular relevance to the Ad Hoc Working Group. A main thrust of the activities of the Ad Hoc Working Group would be to allow exchanges of experience between participants, identification of areas where the work of other bodies could be profitably complemented, and mobilization of expertise in the relevant areas.

Chapter I

ESTABLISHMENT OF THE WORK PROGRAMME OF THE WORKING GROUP

(Agenda item 3)

5. For its consideration of this item, the Ad Hoc Working Group had before it the following documentation:

"Issues and timetable: note by the UNCTAD secretariat"
(TD/B/WG.2/2)

6. At its 1st plenary meeting, on 16 November 1992, the Ad Hoc Working Group decided to discuss agenda item 3 in informal meetings.

[to be completed]

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

7. The first session of the Ad Hoc Working Group was opened on 16 November 1992 by the Deputy Secretary-General of UNCTAD.

B. Election of officers

(Agenda item 1)

8. At its 1st plenary meeting on 16 November 1992, the Ad Hoc Working Group elected its officers as follows:

Chairman:	Mrs. E. Shelton	(United States of America)
Vice-Chairmen:	Mr. A.-R. Al Sohaibani	(Saudi Arabia)
	Mr. E. Dreyfous	(France)
	Mr. M. Kisiri	(United Republic of Tanzania)
	Mr. A. Moschini	(Argentina)
	Mr. A. Filippov	(Russian Federation)
Rapporteur:	Mr. A. Brahime	(Morocco)

C. Adoption of the agenda and organization of work

(Agenda item 2)

9. The spokesman for the European Economic Community (United Kingdom) and the representative of the Russian Federation expressed concern that the timetable proposed by the secretariat might not allow the Working Group to discuss its work programme until the very end of the session.

10. The Chairman proposed that the format suggested be tried and revised if necessary in the course of the session.

11. At its 1st plenary meeting on 16 November 1992, the Ad Hoc Working Group adopted its provisional agenda (TD/B/WG.2/1) as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Establishment of the work programme of the Working Group
4. Provisional agenda for the second session of the Working Group
5. Other business
6. Adoption of the report of the Working Group to the Board

D. Provisional agenda for the second session of the Working Group

(Agenda item 4)

[to be completed]

E. Other business

(Agenda item 5)

[to be completed as necessary]

F. Adoption of the report of the Working Group to the Board

(Agenda item 6)

[to be completed]

UNITED
NATIONS

TD

United Nations Conference
on Trade and Development

Distr.
LIMITED

TD/B/WG.2/L.2
20 November 1992

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Ad Hoc Working Group on Trade Efficiency
First session
Geneva, 16 November 1992
Agenda item 3

ESTABLISHMENT OF THE WORK PROGRAMME OF THE WORKING GROUP

Draft work programme submitted by the Chairman

1. Pursuant to a New Partnership for Development: the Cartagena Commitment, adopted at the eighth session of the Conference, the Ad Hoc Working Group agreed, on the basis of Board decision 398 (XXXVIII) which sets out in the annex, section C, the terms of reference of the Ad Hoc Working Group on Trade Efficiency, the following work programme.

2. With the aim to fostering greater participation in international trade, in particular by small- and medium-sized enterprises, giving particular attention to countries and regions less advanced in the area of trade efficiency, the working group will work in the following six main areas:

GE.92-52968

A. Information flows to build trade efficiency

In this area, the Working Group will:

(a) Identify the type of information available and further information needed, including the sources and means of access to such information, to make countries more trade efficient.

(b) Consider ways to enable countries and enterprises to access, use, maintain and update the information they need in the most cost efficient fashion, including methods to better identify local users needs.

(c) Explore ways to foster transparency in trade-related information flows, giving due consideration to confidentiality requirements as well as attempting to identify areas of agreement.

(d) Consider ways to promote the involvement of new users, especially small- and medium-sized enterprises, in information networks, and the use of regional information systems.

B. Facilitating trade

In this area, the Working Group will:

(a) Identify and promote ways to rationalise trade procedures and simplify and standardise information requirements. The work of the United Nations Economic Commission for Europe (UNECE) WP4, and other relevant bodies will be taken into account. Possibilities of reducing transaction costs should be identified.

(b) Study the problems linked to the need for adequate information and telecommunication infrastructure as a necessary condition for trade efficiency, including open access, installation, operation and training in order to build local capacity;

(c) Cooperate with UNECE WP4 to promote greater awareness, understanding and use of Electronic Data Interchange (EDI), including the standards established through WP4 and the business practices necessary for the use of EDI, with special emphasis on small and medium-sized enterprises and more generally new players in international trade.

C. Working towards Trade Efficiency: The role of Governments

In this area, the Working Group will:

(a) Study ways in which the legal, regulatory and administrative environments can be improved so as to allow greater national efficiency including recommendation for modal laws to support greater participation in global commerce using electronic techniques;

(b) Examine how the interface between the government and the private sector on the one hand, and the regulatory aspects of sectoral linkages (e.g. banks or transport) on the other hand, can best satisfy the requirements of trade efficiency.

D. Trade Points

UNCTAD will provide assistance to the member countries in implementing a pilot "Trade Point" programme which shall be based on the use of international standards designed towards open systems necessary for their interconnection. The Trade Points will ensure equal opportunity of access for interested trade partners. Such assistance will include:

(a) Establishment and operation of pilot Trade Points

(i) Identification of pilot Trade Points

(ii) Identify the elements needed for international/regional cooperation between national Trade Points

(iii) Assistance to each pilot Trade Point to determine:

- functional options
- technical requirements
- funding requirements
- training requirements

(b) Evaluation

(i) evaluate the pilot Trade Points and their effectiveness and efficiency in terms of:

- creating awareness of the potential benefits
- overcoming obstacles to their effectiveness and efficiency
- meeting the needs of users, especially small and medium-sized enterprises
- cost effectiveness and efficiency
- involving supporting sectors such as banking, transport, telecommunications, insurance and customs
- building co-operation and linkages at the regional and international levels
- meeting the training requirements of the Trade Point operators and users

(ii) evaluate the efficiency in the use of UNCTAD assistance.

(c) Recommendations

Develop recommendations for future Trade Point programme functionality, set-up, operations, training and funding.

E. Technical assistance

(a) Capacity- building with special emphasis on training and infrastructure including in cooperation with WP4 develop educational materials in trade facilitation and EDI: assistance in the training of national trade facilitation and EDI experts; assistance in the establishment of national trade facilitation organizations; and expert advice in dealing with specific facilitation in EDI implementation problems;

(b) Facilitating workshops and the 1994 Symposium

(c) Develop suitable training programmes for technical assistance

F. 1994 Symposium

The Working Group shall prepare the 1994 international symposium on trade efficiency, as called for in paragraphs 157 and 158 of the Cartagena Commitment. For use at that time, the Working Group shall undertake research, prepare publications, explanatory or educational materials, including those that emphasize legal or other focuses.

G. Resources and Working methods

The Secretariat of UNCTAD will:

(a) carry out an assessment of the workload and the financial implications of each activity included in the work programme with a view to formulating proposals to identify the need for additional funding and to encourage voluntary extra-budgetary contributions and will make every effort to provide details of the results of the assessment to Member States, in conformity with UN procedures, in advance of the meetings of the Working Party on Medium-term Plan and Programme Budget in March 1993;

(b) establish a core advisory group of experts constituted according to the procedure for electing the Bureau of the Ad Hoc Working Group. This group will meet periodically with the secretariat to advise and assist in carrying-out the work programme. In addition the secretariat will request from member States recommendations to develop a roster of experts. These additional experts will be invited by the secretariat to participate as appropriate in the meetings of the core advisory group of experts depending upon the subject under discussion.

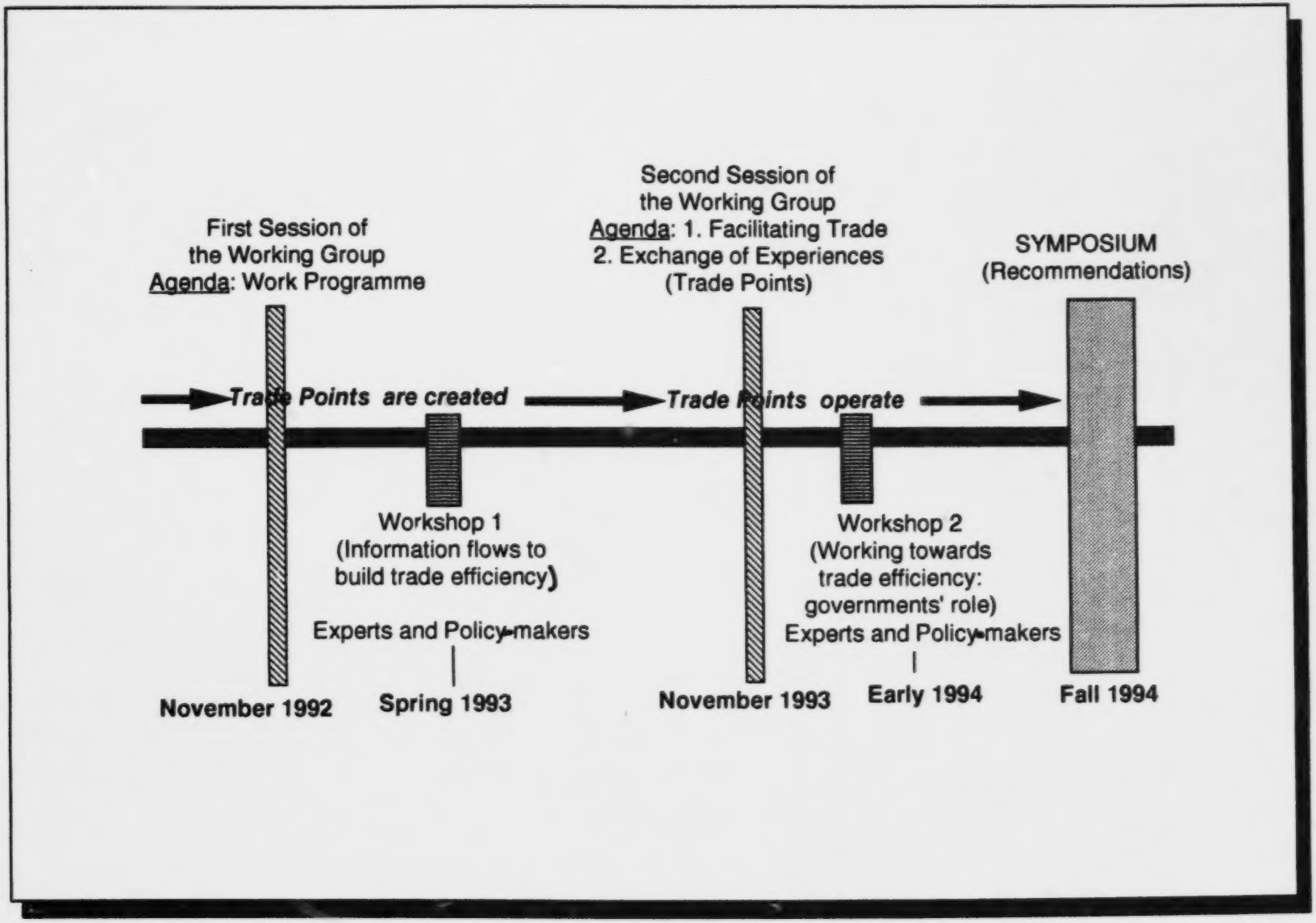
B - Practical organization

1. It is proposed that element A above (Information flows for Trade Efficiency) be the subject of a workshop in the course of Spring 1993, and that Point 3 (Working towards Trade Efficiency: the role of Governments) be the subject of a workshop in early 1994.

2. Element B (Facilitating trade) would be the first item on of the agenda of the second session of the Ad Hoc Working Group, to be held in November 1993; the second item on that agenda would consist in a first assessment of the work done at the Trade Point.

3. It is understood that all the elements of this work (meetings of the Ad Hoc Working Group, workshops and work at the Trade Points) would converge towards the formulation of recommendations for the 1994 Symposium.

This timetable is summarized in the diagramme below


First Session of
the Working Group
Agenda: Work Programme
Second Session of
the Working Group
Agenda: 1. Facilitating Trade
2. Exchange of Experiences
(Trade Points)
SYMPOSIUM
(Recommendations)
Trade Points are created
Trade Points operate
Workshop 1
(Information flows to
build trade efficiency)
Experts and Policy-makers
Workshop 2
(Working towards
trade efficiency:
governments' role)
Experts and Policy-makers
November 1992
Spring 1993
November 1993
Early 1994
Fall 1994

UNITED
NATIONS

TD

United Nations Conference
on Trade and Development

Distr.
LIMITED

TD/B/WG.2/L.3

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Ad Hoc Working Group on Trade Efficiency
First Session
Geneva, 20 November 1992
Item 4 of the provisional agenda

DRAFT PROVISIONAL AGENDA FOR THE SECOND SESSION

1. Adoption of the agenda and organization of work.
2. Facilitating trade.
3. First evaluation of the Trade Point Programme.
4. International Symposium on Trade Efficiency.
5. Provisional agenda for the third session of the Working Group.
6. Other business.
7. Adoption of the report of the Working Group to the Board.

GE.92- 52974